



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 28, 2013

Rusty Galetka
288 North 300 West
Cedar City, Utah 84721

Subject: Reclamation Surety Required, Rusty Galetka, Hardpickin #6 Mine, S/025/0033, Kane County, Utah

Dear Mr. Galetka:

The referenced Notice of Intention to Commence Small Mining Operations (NOI) received by the Division of Oil, Gas and Mining on June 24, 2013, is complete with the exception of the reclamation bonding requirements. The required reclamation surety is \$14,600.00 which was determined based on average costs per acre with a three-year escalation as shown in the following table:

Hardpickin #6 Mine, S/025/0033			
3-year Escalation (2016) based on average reclamation costs per acre			
Item	Qty.	Unit cost	Total cost
1 st acre of Disturbance	1	\$9400	\$9400
Additional acres	1	\$5200	\$5200
TOTAL			\$14,600

The Bureau of Land Management has concurred with this amount.

The Division currently holds a surety in the form of a certificate of deposit (CD) in the amount of \$11,200.00 on deposit with the State Bank of Southern Utah. This surety is for the Hardpickin #6 exploration project, permit number E/025/0016, but it can be applied toward the mine since the mine will incorporate all the exploration disturbances.

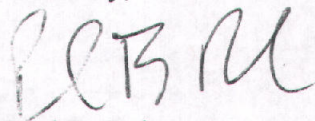
Assuming you use the surety from the exploration project toward the mine, the amount needs to be increased by \$3200.00. This can be done by adding to the CD or by submitting cash, a surety bond, or a letter of credit for either the increased or full amount. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for further information about submitting the surety and associated reclamation contract.

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No mining is allowed until you have written acceptance from this office, the BLM, and any other appropriate agency.

Please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions about this letter. Thank you for your cooperation.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBB' followed by a stylized flourish.

Paul B. Baker
Minerals Program Manager

PBB: Lk: eb

Cc: James Holland, Kanab BLM (jholland@blm.gov)

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